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| State of FloridapscSEAL | Public Service CommissionCapital Circle Office Center ● 2540 Shumard Oak BoulevardTallahassee, Florida 32399-0850-M-E-M-O-R-A-N-D-U-M- |
| DATE: | October 18, 2018 |
| TO: | Office of Commission Clerk (Stauffer) |
| FROM: | Division of Accounting and Finance (Richards, D. Buys, Cicchetti)Office of the General Counsel (Schrader) |
| RE: | Docket No. 20180166-GU – Application for authority to issue debt security during calendar year 2019, pursuant to Section 366.04, F.S., and Chapter 25-8, F.A.C., by Florida City Gas. |
| AGENDA: | 10/30/2018 - Consent Agenda - Final Action - Interested Persons May Participate |
| SPECIAL INSTRUCTIONS: | None |

Please place the following securities application on the consent agenda for approval.

Docket No. 20180166-GU – Application for authority to issue debt security during calendar year 2019, pursuant to Section 366.04, F.S., and Chapter 25-8, F.A.C., by Florida City Gas.

Florida City Gas (Company) seeks authority to finance its working capital and capital expenditure requirements through short-term and long-term borrowings from Florida Power & Light Company (FPL). Florida City Gas is a division of Pivotal Utility Holdings, Inc., which is a wholly-owned subsidiary of FPL. The maximum aggregate short-term borrowings during 2019 will not exceed $50 million and long-term borrowings will not exceed $250 million.

In connection with this application, Florida City Gas confirms that the capital raised pursuant to this application will be used in connection with the regulated natural gas operations of Florida City Gas and not the unregulated activities of the Company or its affiliates.

Staff has reviewed the Company’s projected capital expenditures. The amount requested by the Company ($300 million) exceeds its expected capital expenditures ($100 million). The additional amount requested exceeding the projected capital expenditures allows for financial flexibility for the purposes enumerated in the Company’s petition as well as unexpected events such as hurricanes, financial market disruptions, and other unforeseen circumstances. Staff believes the requested amounts are appropriate. Staff recommends the Company’s petition to issue securities be approved.

For monitoring purposes, this docket should remain open until May 1, 2020, to allow the Company time to file the required Consummation Report.